

STATE OF PLAY HYBRID METHODOLOGY FOR EURIBOR

The testing phase of the hybrid methodology for Euribor has started as planned. This 3-month testing period will run from 2 May 2018 to 31 July 2018.

EMMI will conduct an in-depth data analysis under a number of scenarios, and assess all methodological parameters. This exercise will serve to ensure that the parametrical choices made by EMMI when developing the hybrid methodology for Euribor yield a robust and representative benchmark.

As presented in the [First Stakeholder Consultation paper](#) published end of March 2018, the proposed hybrid methodology is composed of a three-level waterfall, which leverages on market transactions whenever available, in line with regulatory requirements.

On these grounds, EMMI will assess Panel Banks' transactions-based Level 1 and Level 2 submissions. Additionally, this exercise will allow EMMI to have a better understanding of Panel Banks' Level 3 determination and overall contribution patterns.

This testing phase will be followed by a second stakeholder consultation in Q3 2018.

In the meantime, EMMI will continue to duly update all stakeholders on the progress done in the context of the hybrid methodology, prior to its launching by Q4 2019 at the latest, in accordance with the transitional period provided by the EU BMR.

Note for the editor:

The European Money Markets Institute – EMMI (previously known as Euribor-EBF) is an international non-profit making association under Belgian law founded in 1999 with the launch of the Euro and based in Brussels (56, Ave des Arts, 1000 Brussels). Its members are national banking associations in the Member States of the European Union which are involved in the Eurozone. It manages European interbank benchmarks such as Euribor®/Eonia® along with the Short Term European Paper (STEP) transparency initiative.